

DCI/IC 77-4328

3 MAY 1977

MEMORANRANDUM FOR: Director of Central Intelligence

25X1A

FROM:

[REDACTED]  
Deputy to the DCI for the Intelligence  
Community

SUBJECT: Resource Management Structure

1. Action Requested: None--response to your questions.

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2. Attached is a package put together by the Staff at the request of [REDACTED]. The first piece describes the program and budget review cycle as implemented by the CFI. With some modification for [REDACTED] purposes, it is the same process which we propose to use with the PRC(I). They were briefed on this process on 9 February and concurred.

3. The second piece lays out four alternatives for strengthening the Intelligence Community management mechanisms, ranging from the principal changes called for in E.O. 11905 to clarify the present system, to the extreme of direct appropriation to the DCI of all NFIP element budgets.

4. The third piece discusses the relationship of the open budget issue to the management structure question.

25X1A 5. Copies have been provided to [REDACTED] and [REDACTED] who helped us with it. I will be happy to discuss these with you if you desire.

25X1A [REDACTED]

Attachments  
As stated

**Next 6 Page(s) In Document Exempt**

### Relation of Management Structure to Open Budget Issue

In general terms, these are two distinct issues. The open budget question is an issue of protection of sources and methods. How much information can be released on the budget without exposing sensitive aspects of the intelligence program?

Management structure does not affect this issue except to the degree that centralization of authority increases pressure to consolidate the budget (especially with a direct appropriation), making it more vulnerable to exposure either through leaks or in the course of justification during floor debate. Of particular concern in recent years has been the trend which has accompanied an ever-enlarging Community role for the DCI: the production of such documents as the Consolidated NFIP Program Budget, the extensive budget justification material and the transcripts and questions/answers accumulated in the course of Congressional budget review. The very existence of such extensive documentation places great stress on our ability to protect details of intelligence spending and capabilities as well as program direction and thrust.

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NOTES:

FE -  
Thank you have  
seen attached in  
draft - a quick  
primer on how  
Resource management  
works now.

25X1A



*has a copy*